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**FACILITATING SMALL-SCALE,
MIXED-USE DEVELOPMENT:
WHAT THE WESTSIDE CITIES COULD DO**

Prepared for:

**The Westside Cities Subregion and the
Southern California Association of Governments**

**City of Beverly Hills
City of Culver City
City of Santa Monica
City of West Hollywood**

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(With 1997 Case Study Updates)

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I. EXECUTIVE SUMMARY

OVERVIEW

This Report presents the results of research and analysis conducted during 1995 on a specialized real estate development product that combines residential and commercial uses in a single structure of multiple stories, which is generally referred to as "mixed-use" development. Mixed-used development is attracting increasing interest as a strategy for promoting a variety of "livable cities" planning and transportation objectives. Interest in this concept is particularly strong among residents, property owners, decision makers and planners in four cities on the westside of Los Angeles County, California -- Beverly Hills, Culver City, Santa Monica and West Hollywood -- each of which has a tradition of unusually close attention to the design quality, urban character and environmental responsiveness of new real estate projects proposed within their borders. Together with certain unincorporated county areas adjacent to them, these four cities comprise the Westside Cities Subregion, for purposes of a new "bottom up" approach to regional planning in Southern California, as coordinated by the Southern California Association of Governments (SCAG).

The current wave of interest in mixed-use development among Westsiders and others has many sources and historical roots. Planners, architects, social scientists, and even a few brave real estate professionals, have extolled perceived virtues of mixing land uses in a single building for decades. These alleged benefits include:

- *Supports compact, infill development strategies, and their associated environmental benefits.*
- *Contributes to a more lively, 24-hour urban environment that helps change the perception of "city life."*
- *Provides opportunities to co-locate housing and employment, reduce commuting and reduce associated traffic congestion and air pollution.*
- *Provides new opportunities for additional housing in general and affordable housing in particular.*
- *Supports the ridership base if constructed near a transit system.*
- *Spreads financial risks among several land uses.*
- *Provides opportunities for novel design solutions to express and accommodate multiple land uses.*

Despite a few high-profile projects, and much experimentation, the small-scale, mixed-use concept still has not found much acceptance in the development community, and continues to meet resistance in some Los Angeles area communities and neighborhoods because its scale and character differ from more conventional single-use developments. "Mixed-use" may be too closely tied to images of Chicago's John Hancock Center, the Houston Galleria or New York's Trump Tower, for Southern Californians still fixated on a single-family neighborhood scale of development.

THE ANALYTIC APPROACH

The central objective of the analysis was to identify what actions the Westside cities themselves could be take to stimulate more mixed-use projects within their subregion, either through formal amendments to regulations or procedures that may be impeding mixed-use development, or through more informal actions, such as community education. Responding to this query required a thorough review of the market, financial, regulatory and institutional issues that today affect the willingness of the development community, both for-profit and not-for-profit, to construct mixed-use projects of the scale most likely to win permit approvals from Westside decision makers. This means mid-rise projects up to about six stories and about 150,000 gross square feet of floor area.

The analysis, prepared by Hamilton, Rabinovitz & Alschuler, Inc. (HR&A) as part of a series of subregional planning consultation assignments for the Westside Cities Subregion, included the following tasks:

- *Identifying existing policies and regulations applicable to mixed-use development.* HR&A first summarized the policy framework and regulatory regime now in place in each of the four Westside cities, the City of Los Angeles and the County of Los Angeles. The summary documents the provisions of each jurisdiction's General Plan and zoning ordinance that implicitly or explicitly supports the development of mixed-use projects.
- *Conducting case studies of existing mixed-use development projects.* HR&A then prepared detailed case studies of five existing small-scale, mixed-use on the Westside and elsewhere. The case studies draw on the experience of actual mixed-use development projects to illuminate the question of what local government could do to facilitate future mixed-use projects. The case studies also identify other general issues about this product type, including design, marketing and finance issues, that may affect the private sector's willingness to construct this form of development.

- *Testing the feasibility of prototypical mixed-use projects that might be proposed on the Westside.* Next, HR&A created schematic designs for a small-scale, mixed-use development project in each of the four Westside cities, using each city's policy and regulatory regime and a specific site selected by each city. These prototypical projects were then tested in a computerized financial feasibility simulation model adapted from a model used to evaluate mixed-use regulations in the City of Los Angeles. The feasibility results for each prototype are reported, under a baseline case, and for each of several possible changes that reflect alternative actions within the control of the cities, such as increasing buildable project area and reducing the amount of parking.

PROBLEMS IDENTIFIED AND POSSIBLE RESPONSES BY THE WESTSIDE CITIES

The analysis identified four general problem areas impeding future development of small-scale, mixed-use development on the Westside -- the entitlements process and development regulations; building codes and the construction inspection process; marketing; and financing. Among the most significant problems, and possible actions the cities could take to help address them, are the following:

The Entitlements Process and Development Regulations

Lack of Clear Review Criteria and Timely Processing of Discretionary Permits. Mixed-use projects usually need major to minor changes to development regulations, and this is time consuming. In light of how quickly market conditions can change, delays in the approval process can cause projects to miss the intended market. Possible city responses include:

- *Standardize Review Procedures.* Cities should consider either (a) making mixed-use a permitted use in certain zoning districts and allowing projects to be developed as-of-right; or (b) developing a set of development performance standards for mixed-use projects, such that a project conforming to the standards could be approved with minimal discretionary review.
- *Consolidate Discretionary Reviews.* To the extent that General Plan revisions, zone changes, conditional approvals, variances, use permits and/or other special exceptions are needed, these approvals should be processed concurrently rather than sequentially.
- *Focus Environmental Assessments and Standardize Mitigation Measures.* Consideration should also be given to conducting a master environmental assessment of the mixed-use product type, so that to the extent an individual project requires

environmental assessment, it can be narrowly focussed on site-specific issues. Standardizing mitigation measures will help ensure that the cities' expectations, and the costs thereof, are understood at the outset.

In Setting Basic Project Review Criteria, Consider the Scale That Mixed-Use Projects Typically Need in Order to Be Viable. The relatively high land prices and low densities permitted on the Westside adversely impact project economics. Projects need to achieve higher rents and sale prices and, therefore, need to target commercial space to non-neighborhood-serving uses and dwelling units to higher-income households. The Westside's typical 45-foot height limit makes it difficult to provide interior ceiling heights desired by larger retail tenants without short-changing floor-to-ceiling heights for the residential uses above the commercial uses, and to incorporate density bonuses, where applicable. In response, the Westside cities could:

- ***Anticipate That Overall Project Scale Will Be Large, By Westside Standards.*** In setting review thresholds like those noted above, the cities should recognize that successful mixed-use projects will probably need to be in a range of 100,000 square feet to be financially viable developments and to attract appropriately sophisticated developers and lenders. On the Westside cities, this is a project that would typically require considerable discretionary review.
- ***Permit Higher Residential Densities and Smaller Units Sizes.*** The cities should consider allowing mixed-use projects to have dwelling unit densities up to 80 units per acre in order to create more interesting urban environments, permit a wider range of incomes and generate sufficient return on investment. Higher densities can be achieved without significantly enlarging the building envelope if smaller unit sizes are permitted (e.g., one-bedroom units at 500 s.f. and two-bedroom units at 900 s.f.).
- ***Be Flexible With Open Space Requirements.*** The cities should be flexible regarding how and where open space requirements can be met in order to accommodate increased densities. Consider courtyards, balconies, terraces and rooftops in addition to setbacks from property lines.
- ***Be Flexible With Building Heights When Mixing Residential With Other Uses.*** The cities should consider allowing building heights for the residential component of mixed-use projects to exceed otherwise applicable building heights in order to: (a) accommodate the different floor-to-ceiling heights of retail and residential uses;

and 2) enable architects the flexibility needed to accommodate and express the different needs of the project's land uses.

- *Consider Density Bonuses for Preferred Uses, But Require Substantial Commitments to Those Uses.* Cities should consider granting development envelope bonuses (e.g., extra height or floor area) for preferred uses (e.g., residential or pedestrian-oriented ground floor commercial uses). But, to avoid introducing distortions in the market, the cities should require more than token commitments to such uses in order to qualify for the bonus.

Avoid Overburdening Mixed-Use Project With Unnecessary and Very Costly Parking Requirements. Mixed-use projects generally do not need the amount of parking typically required for each use considered separately. Dwelling units dedicated for lower-income households require less parking than market rate units. Possible city responses are:

- *Allow for Parking Reductions Based on a Project-Specific Shared Use Parking Analysis.* Allow mixed-use projects to apply for parking reductions that recognize unique features of mixed-use projects, such as: (a) alternating hours of operation and occupancy for the various uses; and (b) proximity of public parking facilities and/or public transit.
- *Allow Subterranean Parking to Extend Into Rights-of-Way.* Consider allowing (perhaps for a fee) subterranean parking to extend beyond the property line under the public right-of-way (alley or street) in order to help minimize the number of subterranean parking levels.
- *Maximize Compact Spaces and Tandem Parking.* Allow upwards of 50% of required spaces to be compact spaces, and permit parking attendants to stack vehicles in parking aisles during peak use hours. Allow tandem parking for residential units to reduce circulation area and maximize the number of parking spaces.
- *Lower Parking Requirement for Dedicated Affordable Units.* Reduce the resident and/or guest parking requirements for units restricted for occupancy by lower-income households.

2. Building Codes and the Construction Inspection Process

Resolving Code Interpretation Conflicts That Are Particularly Problematic In Mixed-Use Projects. Mixed-use projects often involve particularly complicated code interpretations where everyday coordination problems can be exacerbated. Recurring conflicts for mixed-use projects include: 1) fire ratings for courtyards and exterior walls; 2) types of permitted construction; 3) exit stair requirements; and 4) separation requirements between residential and non-residential uses. Possible city responses include:

- ***Adopt Code Amendments to Address Predictable Conflicts.*** Anticipate potential code conflicts, determine generic solutions, and/or adopt code exceptions for mixed-use projects as appropriate.
- ***Reach Early Agreement on the Ground Rules.*** Include upper level staff in these preliminary design meetings to ensure that the agreement(s) get carried out accordingly.
- ***Achieve Consistency in Field Interpretations.*** Create an inspection approval process that, in the case of inspector turnover, does not require significant reconstruction of particular project components once they have been approved by a prior inspector.

3. Marketing Issues

Do Not Expect Mixed-Use Projects to Swim Against the Stream Successfully. The Westside cities should not expect individual mixed-use projects to be effective catalysts for revitalizing blighted, transitional or other marginal areas. They should respond to market demand, but cannot create it. Mixed-use projects will only be viable, therefore, in established areas where people want to live, where tenants want to locate and where there is already high foot traffic. Although the Westside cities have only limited ability to influence market conditions that affect mixed-use development, they could consider doing the following:

- ***Provide Additional Incentives for Marginal Areas.*** Mixed-use projects in marginal areas will require public subsidies -- i.e., land write-downs, tax abatements, low cost financing and related public investments -- to counterbalance the market rent limitations of marginal areas. If the redevelopment works in the long run, cities will recapture their investments through tax revenue increases and/or a negotiated share in the appreciated value they helped to create. Any such public subsidies

and assistance must, however, be appropriate in amount and duration to realistically accommodate the time and tenant improvements necessary to achieve stabilized lease-up at market rents.

The Retail Component of Mixed-Use Projects is the Biggest Leasing Challenge. Markets change in response to shifts in the economic climate and consumer taste over the life of the development process. The impact of market changes on mixed-use projects is compounded by the fact that this product type involves multiple markets and market cycles. Code requirements and project conditions which define too narrowly the permitted residential and commercial uses may prove unworkable. Building design elements that block or obscure street visibility of the storefront, or overly restrictive signage requirements, can create resistance among retailers to locate in a mixed-use project. Possible city responses include:

- ***Be Flexible When Specifying Desired Uses.*** The cities should be flexible in defining acceptable commercial or residential uses, allowing the project to respond to changing market conditions.
- ***Adjust Design Standards to Market Realities.*** Design and signage criteria and requirements should be developed to meet the needs of traditional retailers. Cities should allow for flexibility in the design of the ground floor level of mixed-use projects so they can accommodate appropriate retail storefront depths and accessible parking.

Mixed-Use Projects Cannot Resolve Conflicts Between Markets and Competing Public Policies. Given the marketing complexities of mixing uses in a single project, cities should be cautious about imposing additional conditions to achieve other city policy objectives in these projects. For example, requirements for on-site, mixed-income family housing and large family units, needed though they may be, present significant marketing obstacles under the best of circumstances, and can present insurmountable obstacles for mixed-use projects. Requirements to provide for-sale housing in combination with rental housing, whether price-restricted or market rate, reduce the ability to secure bond financing, which is a major source of rental housing project financing. When rent- or sale price-restricted units are required to be designed and built to exactly the same standards as a project's market units, and/or are required to be uniformly located throughout the building, the project loses the opportunity to balance development costs and potential revenues. Possible city responses are:

- *Set Clear, Internally Consistent Policy Priorities for Mixed-Use Projects.* The Westside cities may not be able to achieve all of their policy objectives in every project; choices between promoting mixed-use development for its own sake and other objectives may be necessary. Offsetting incentives, bonuses or flexibilities should be available when a city seeks to achieve multiple, competing objectives.
- *Keep It Simple.* Avoid requirements to provide rental and for-sale housing within the same project unless financing is available for both housing types and can be secured at terms reasonable for the project. If mixed-income housing is to be required in mixed-use projects, cities should avoid overly restrictive requirements on the comparability of features and unit location.

4. Financing Issues

Cities Are Generally Unfamiliar With Lender Requirements and Impacts of City Regulations on Lending Decisions. Mixed-use projects, especially those with a price-restricted rental or for-sale housing component, typically involve multiple sources of debt financing and subsidy. The requirements of various lenders can often be in conflict with one another and with the requirements of the local jurisdiction. This adversely impacts the ability of the developer to satisfy the requirements of and/or the negotiated agreements with lenders and the local jurisdiction. For mixed-use projects in which cities provide financing or other assistance, lenders prefer that the public contribution take a form that can be provided or paid in during project development (e.g., public improvements), rather than a form of assistance that occurs during the operational phase (e.g., rent subsidies). Lenders are uncomfortable with the political uncertainties associated with public sector project assistance in general, and with long-term public sector assistance in particular. Possible city responses include:

- *Consider the requirements of loan programs and their lenders when establishing project conditions and requirements.* The Westside cities need to develop a better understanding about how their requirements (codes, designs, exactions) affect the lender's decisions and parameters for making construction and permanent loans. Where possible, cities should provide opportunities to seek alternative solutions and/or compromises to local requirements that may be in conflict with lender requirements or adversely impact costs to the point of jeopardizing the project's financing. Alternatively, financing assistance should be provided to projects when above-average amenities or other city policy objectives add significant costs to a mixed-use project that cannot be supported by market rents.

- *Focus City Assistance on the Development Phase.* When evaluating opportunities to provide public assistance for a mixed-use project, cities should focus on assistance that can be provided during the development phase of the project.

Time Is Money. The release of funds by lenders to developers to pay for up-front project costs, including land acquisition and pre-development expenses, is often tied to receipt of public approvals for the project. Long delays in the public approval process can increase land carry and pre-development costs (and hence equity requirements), and deplete the developer's pre-construction resources, resulting in abandonment of the project. This may also result in a much shallower pool of developers willing to pursue a mixed-use project. A possible city response is:

- *Create an Expedited Permit Approval Process for Mixed-Use Projects.* For this additional reason, the Westside cities should consider developing a process by which the time required to obtain public approvals is more reliable and shorter, provided the applicant's submittals are complete and within established or negotiated parameters.

Lender Requirements Dictate Project Parameters. Lenders are less familiar with mixed-use as a product type than they are with more traditional residential and commercial uses. They typically discount loan amounts and set lower loan-to-value limits due to the higher level of risk they associate with mixed-use projects. Developers, therefore, are generally required to invest more equity than they typically would for single-use projects, must show evidence of unusually high pre-leasing or sales commitments, and are usually required to provide substantial financial statements and personal guarantees. These financial requirements limit the type of developer who can secure financing for mixed-use projects and increases the threshold project size necessary to generate an acceptable return on investment. In response, the cities should:

- *Learn About Lenders' Needs.* The cities should discuss their commitment to mixed-use development with their local lending community. Together, they should seek ways to create a market context that supports mixed-use projects, and find ways to anticipate and accommodate each other's objectives.

Westside Land Prices Adjust Unusually Slowly in Response to Market and Regulatory Changes. High land cost is a persistent and significant problem for development on the Westside in general, and for riskier product types, such as mixed-use development, in particular. Some land owners have unrealistic expectations regarding the value of their property. They are not willing to sell their land or enter into a joint venture development

because they are unwilling to accept a lower land value that more correctly reflects changes in the economy or more restrictive changes in land use regulations. Although cities have little ability to influence land prices in the short run, they could:

- *Provide Information to Land Owners and Develop Assistance Programs.* Target those areas where the cities want to encourage mixed-use development and work with developers and land owners to achieve mutually acceptable land values through a program of public assistance and/or acquisition and public education.

By taking these actions the Westside Cities Subregion can create a policy and regulatory climate that is conducive to appropriately scaled expressions of mixed-use development.

II. PURPOSE AND SCOPE OF THE ANALYSIS

A. INTRODUCTION

This Report presents the results of research and analysis conducted during 1995 on a specialized real estate development product that combines residential and commercial uses in a single structure of multiple stories, which is generally referred to as "mixed-use" development. As will be discussed below, mixed-used development is attracting increasing interest as a strategy for promoting a variety of "livable cities" planning and transportation objectives. Interest in this concept is particularly strong among residents, decision makers and planners in four cities on the westside of Los Angeles County, California -- Beverly Hills, Culver City, Santa Monica and West Hollywood -- each of which has a tradition of unusually close attention to the design quality, urban character and environmental responsiveness of new real estate projects proposed within their borders. Together with certain unincorporated county areas adjacent to them, these four cities comprise the Westside Cities Subregion, for purposes of a new "bottom up" approach to regional planning in Southern California, as coordinated by the Southern California Association of Governments (SCAG).

The central objective of the analytic undertaking reported herein was to articulate the market, financial, regulatory and institutional issues that today affect the willingness of the development community, both for-profit and not-for-profit, to construct mixed-use projects of the scale most likely to win permit approvals from Westside decision makers. In general, this means mid-rise projects up to about six stories and about 150,000 gross square feet of floor area. In particular, the Westside cities wanted to understand what actions, within their realm of responsibilities, could be taken to stimulate more mixed-use projects within their subregion, either through formal amendments to regulations or procedures that may be impeding mixed-use development, or through more informal actions, such as community education.

This Report was prepared by Hamilton, Rabinovitz & Alschuler, Inc. (HR&A) as part of a series of subregional planning consultation assignments for the Westside Cities Subregion. The scope of the investigation, and preliminary results of the research and analysis, were reviewed in detail with the senior city planning and community development staff of the four Westside cities prior to the completion of this Report. Sole responsibility for what appears on these pages, however, rests entirely with HR&A. The views presented here do not necessarily reflect those of the Westside cities, SCAG, the California Department of Transportation, or the U.S. Department of Transportation, all of which provided a measure of the funding that supported HR&A's work.

B. THE CURRENT WAVE OF INTEREST IN MIXED-USE DEVELOPMENT ON THE WESTSIDE

Definition of Terms

For purposes of this analysis, "small-scale, mixed-use" development projects are those with the following general characteristics:

- *One or more commercial uses plus housing.* Although there are many examples of projects that include several different kinds of commercial (e.g., retail, office, hotel, entertainment) or civic (e.g., convention facilities) uses, principally on the West Coast and in the Midwest in the United States, the interest in mixed-use development among the Westside Cities focusses on projects that also include rental or for-sale multi-family housing. As will become clear in later Chapters, it turns out that at a scale of development appropriate for the Westside, the residential component of small-scale, mixed-use projects is critical to successful financial performance.
- *Uses combined in a single structure.* This analysis focusses on mixed-use not "multi-use" projects. The former is distinguished by vertical integration of different land use categories in a single building; the latter generally refers to several adjacent free-standing buildings with individual uses. Westside development sites, for the most part, are too small and too expensive for multi-use development.
- *Mid-rise scale in the range of 100,000 to 150,000 gross square feet (exclusive of parking).* As will be described below, mixed-use development has its most immediate roots in central city mega-projects developed in the 1960s and 1970s. Given the development envelope allowed in most of the Westside cities, however, and consistent resident antipathy toward projects any larger than mid-rise, the maximum scale of a mixed-use project suited to the Westside Cities Subregion could probably not exceed about six stories in height and 150,000 gross square feet. In fact, all of the completed or proposed examples of mixed-use projects on the Westside, and throughout Southern California, fall at or below this threshold, except for a very few central city projects in Los Angeles, Long Beach and San Diego.

Asserted Values of Mixed-Use Development

The current wave of interest in mixed-use development among Westsiders and others has many sources. Planners, architects, social scientists, and even a few brave real estate professionals, have extolled perceived virtues of mixing land uses in a single building for decades. The positive social, environmental and financial values and other benefits thought to result from mixed-use projects include:

- *Supports compact, infill development strategies, and their associated environmental benefits.* The leading proponents of this perspective today are the so-called “new urbanists,” who advocate, among other things, complete and integrated communities containing a mix of housing types, shops, work places, recreation opportunities, civic facilities, access to transit and other uses essential to daily life, and emphasizes placing these uses within walking distance of one another.¹ Mixed-use development is an obvious means for accomplishing these objectives.
- *Contributes to a more lively, 24-hour urban environment that helps change the perception of “city life.”* This is the guiding force behind many efforts to catalyze, most still unsuccessfully, a central city housing market capable of producing the “complex order of mingled uses”² that is the very essence of urban vitality. Mixed-use development projects are often cited as one strategy for doing so, though sports stadia seem to be the preferred people bait of the moment.
- *Provides opportunities to co-locate housing and employment, reduce commuting and reduce associated traffic congestion and air pollution.* Again, mixed-use development has been cited as one way to achieve “jobs-housing balance,” a superficially attractive, but rather impractical growth management strategy.³
- *Provides new opportunities for additional housing in general and affordable housing in particular.* Those who share this reason for supporting mixed-use development view it as one more element of a multi-dimensional approach to an

¹ See generally, Peter Katz, *The New Urbanism, Toward an Architecture of Community*, McGraw-Hill, 1994.

² Jane Jacobs, *The Death and Life of Great American Cities*, Random House, 1961, at p. 222.

³ See, Edward K. Hamilton, Francine F. Rabinovitz, John H. Alschuler and Paul J. Silvern, “Applying the Concept of Jobs-Housing Balance,” 50 *Urban Land*, No. 10, October 1991, pp. 15-18.

overall strategy to increase the supply of housing affordable to lower-income households, especially seniors if other services and transit are near by. Unfortunately, this has also played into the hands of critics who view housing above commercial uses as being *only* attractive to lower-income households, though evidence to the contrary abounds, along with growing numbers of non-traditional households seeking alternative housing accommodations.

- *Supports the ridership base if constructed near a transit system.* Transit boosters view higher-density, mixed-use development around fixed rail and other transportation centers as a way to increase both the demand for transit usage and opportunities for rider-supportive commercial uses near stations.⁴
- *Spreads financial risks among several land uses.* Given the cyclical nature of the development market, some developers and investors (though very few lenders) consider mixed-use development as a way to hedge their bets over time. For central city sites where retailers compete with shopping centers in outlying areas, the addition of a captive on-site market of residents and office workers can be an advantage. The convenience of on-site retail is also a marketing advantage for leasing office and residential space.⁵
- *Provides opportunities for novel design solutions to express and accommodate multiple land uses.* Some urban designers, architects and planners value the challenge to design creativity that mixed-use development provides, due to the practical and aesthetic need to both express the separate identities of the uses and meld them into a cohesive urban statement.⁶

⁴ See for example, Robert Cervero, *Transit-Supportive Development in the United States: Experience and Prospects*, National Transit Access Center, U.C. Berkeley, March 1994.

⁵ See for example, Dorothy Walton, "The Challenges of Marketing Mixed-Use Properties," *Journal of Property Management*, November/December 1991, pp. 30-34.

⁶ See generally, Johannes Van Tilburg, "Living Above the Store, L.A.-Style, 51 *Urban Land*, No. 10, October, 1992, pp. 66-72.

Historical Precedents

The historical roots of this development form are many:

- *Medieval town planning.* Small, compact, walled communities arranged for easy defense and ease of personal accessibility often featured low-rise and mid-rise structures that combined several uses, including housing.
- *Dominance of the city center during the industrial evolution of North American and European cities.* As commerce moved from farms to cities, the attendant concentrations of people in an era before zoning institutionalized the separation of land uses resulted in building forms where shopkeepers and others resided above ground floor stores, restaurants and pubs.⁷ Later, five- and six-story walk-up apartments with retail uses on the ground floor emerged. As central city densities increased over time, and construction technology became more sophisticated, so did the scale of buildings with residential-over-retail uses. These building forms were very rare in the Sunbelt cities, including Los Angeles, however, where there was ample space to separate residences from commerce.
- *Central city high-rise office buildings, shopping centers and Planned Unit Development in the post-World War II era.* Changes in the national economy following World War II spawned an explosive demand for office space in the nation's major cities, retailing in the form of shopping centers and their mix of commercial uses, and large-scale, master planned residential projects with support uses. Coupled with high land costs, and in some cases Federal financial support for large-scale "blight clearance," a number of major high-rise office and retail towers and building complexes were constructed during the 1960s and 1970s. New York's Rockefeller Center, with its mix of office, retail and entertainment uses was a major influence on this trend (built in stages, the first during the 1930s and the second between 1946 and 1975). These mega-projects institutionalized mixed-use development as a formal real estate product category, complete with its own "MXD" shorthand reference.⁸

⁷ It bears remembering that the landmark U.S. Supreme Court case that established the validity of zoning regulations, *Village of Euclid v. Ambler Realty Co.* (272 U.S. 365, 47 S.Ct. 114, 71 L.Ed. 303, 1926), had at its core, a conclusion that apartment buildings were a business or trade, properly excluded from the Village's residential neighborhoods because they "came very near to being nuisances."

⁸ Credit for this designation, and for formal recognition of mixed-use development as a special development product, is generally attributed to the Urban Land Institute (ULI) and its original study of it (Gladstone Associates,

- *Multi-use suburban office and retail centers and business parks.* More recently, the intensification of commercial use in the suburbs has also seen a move toward multi-use (though not truly mixed-use), master planned developments. Examples closer to home include Century City, with its mix of hotels, office towers, apartments and condominiums, and Newport Center in Irvine, with office buildings, hotels and apartment buildings surrounding the Fashion Island shopping center. The proliferation of suburban business parks or campuses, and the need to provide retail, child care and exercise facilities and other amenities for office workers, is another dimension of this same trend, often at a scale more in keeping with Westside sensibilities.

Despite a few high-profile projects, and much experimentation, the small-scale, mixed-use concept still has not found much acceptance in the development community, and continues to meet resistance in some Los Angeles area communities and neighborhoods because its scale and character differ from more conventional single-use developments. "Mixed-use" may still be too closely tied to images of Chicago's John Hancock Center, the Houston Galleria or New York's Trump Tower, for Southern Californians still fixated on a single-family neighborhood scale of development. It is hoped that this Report will help the Westside Cities Subregion to begin reconciling these divergent images as they search for an appropriately scaled expression of mixed-use development that is capable of achieving the lofty benefits ascribed to it.

C. ORGANIZATION OF THE REPORT

The remaining sections of this Report are the following:

- *Chapter III* summarizes the policy framework and regulatory regime now in place in each of the four Westside cities, the City of Los Angeles and the County of Los Angeles, with regard to mixed-use development. These policies and regulations were the basis for the mixed-use prototypes analyzed in Chapter V. A future Addendum to this Report will provide and update on these policies and regulations, all of which are undergoing minor to major modification as this Report was finished.

Mixed-Use Development: New Ways of Land Use, 1976), which was updated in 1987 (ULI, *Mixed-Use Development Handbook*, 1987).

- **Chapter IV** presents case studies of five existing mixed-use projects on the Westside and elsewhere. The case studies draw on the experience of actual mixed-use development projects to illuminate the question of what local government could do to facilitate future mixed-use projects. The case studies also identify other general issues about this product type, including design, marketing and finance issues, that may affect the private sector's willingness to construct this form of development. The future Addendum will also provide updated information about each of these projects, focussing on long-term operational implications for mixed-use projects.
- **Chapter V** presents an analysis of the financial feasibility of four prototypical mixed-use development projects, one in each Westside city, that was created in schematic design form with assistance from Metcalfe Associates. The feasibility analysis was based on an adaptation of a computer simulation model developed by The Natelson Company, Inc., for use in evaluating mixed-use projects in the City of Los Angeles. The Chapter provides a narrative and graphic explanation of each city's mixed-use prototype, including a discussion of how city-specific zoning and other regulations were applied to each prototype. The feasibility results for each prototype are reported, under a baseline case, and for each of several possible changes that reflect alternative actions within the control of the cities, such as increasing buildable project area and reducing the amount of parking.
- **Chapter VI** summarizes some of the most significant problems identified in the preceding Chapters that are impeding development of mixed-use projects on the Westside, and identifies actions the cities could take to change their development standards, project review and approval procedures, building codes and inspection process, and to address various marketing and financing problems.

The appendices include an inventory of mixed-use projects from which the case studies were drawn, data sheets on each of the four mixed-use prototypes showing the key assumptions used on the feasibility model, and the 10-year cash flow statement for each prototype.

III. MIXED-USE DEVELOPMENT POLICIES AND REGULATIONS ON THE WESTSIDE

This Chapter summarizes the regulatory regime now in place in each of the Westside cities which would come into play in considering a prospective mixed-use development project. These regulations were the basis for the assumptions used in developing the prototypical mixed-use projects analyzed in Chapter V. Due to the evolving nature of these policies and regulations, an update addendum to this Chapter will be prepared in the future.

A. THE CITY OF BEVERLY HILLS

General Plan. The City's newest Housing Element includes a goal to expand the variety of housing products in the City, an objective to develop standards for mixed commercial and residential uses, and an implementation program to study the feasibility of and develop standards for mixed-residential-commercial structures, with and without low-income housing components, including additional height, in areas zoned for commercial use, including seven specified areas.⁹

Current Zoning Code Regulations. The City's RMCP zone permits mixed-use development with a Conditional Use Permit,¹⁰ but only if the project's floor area includes at least 75 percent public parking, or 33 percent public parking if senior housing accounts for one-third of the floor area.¹¹ Project height is limited to 40 feet with no senior housing, or 60 feet if all upper floors are senior housing. This zone was established to specifically permit development of the one mixed-use project developed to date in Beverly Hills (grocery, senior housing and public parking-- see Chapter V).

B. THE CITY OF CULVER CITY

General Plan. The City's 1978 General Plan Land Use Element included only a statement that residential use can coexist compatibly with commercial uses, but cannot coexist compatibly with industrial uses. There was no direct reference to mixed-use development.

⁹ City of Beverly Hills, *Housing Element*, Goal 4, Objective 4.3 and Program 4.3, respectively.

¹⁰ Beverly Hills Municipal Code (BHMC) §§ 10-3.1231.

¹¹ BHMC § 10.3-1236.

The City's new Draft General Plan, now in the approval process, includes policies relevant to mixed-use development. The Draft Land Use Element identifies mixed use development as a permitted use in the Commercial Neighborhood-Serving Corridor and Downtown areas, and permits limited medium-density housing in the Commercial General Corridor, if it is compatible with adjacent residential neighborhoods.¹² Consistent with a goal promoting neighborhoods offering residents the qualities of a peaceful, small-town environment, the Draft Element includes policies to develop standards and guidelines for development of residential units in appropriate commercial areas, and in industrial areas as part of Specific Plan efforts.¹³ The Draft Housing Element includes related policies. One such policy would allow residential development in industrial and commercial areas, except on Washington Boulevard west of McLaughlin Avenue, provided such development protects residents from adjacent uses and reinforces the primary character and use of the area.¹⁴ A second policy emphasizes mixed residential-commercial development on the south side of Culver Boulevard between Overland and Madison Avenues.¹⁵ An implementation measure calls for revising the zoning code to permit residential development in commercial or industrial zones to exceed the Medium Density Multiple Family Dwelling (R-4) District's nine units per lot limit.¹⁶

The Culver City City Council is expected to act on the General Plan update toward the end of 1996.

Current Zoning Code Regulations. There is no existing zoning regulation that specifically permits mixed-use development in Culver City. Residential uses are permitted in all of the City's commercial zones, and with a conditional use permit, in the Light Manufacturing zone. This would allow a mixed-use residential/commercial project, but subject to the density, parking, unit size, open space and storage requirements of the City's Medium Density Multiple Family Dwelling (R-4) District standards. The building setback and height requirements, however, would be governed by the standards for the zone in which the property is located. There are currently no incentives in place to specifically encourage development of mixed use projects.

¹² General Plan Advisory Committee's Draft General Plan, Land Use Element, at p. LU-13 and LU-14.

¹³ *Id.*, Policies 2.E. and 2.F., respectively, at p. LU-23.

¹⁴ General Plan Advisory Committee's Draft General Plan, Housing Element, Policy 1.D at p. H-43.

¹⁵ *Id.*, Policy 1.E.

¹⁶ *Id.*, Implementation Measure 6B.

Recently, a new overlay zone was established to promote revitalization along Washington Boulevard between National Boulevard and Fairfax Avenue. Although the City's planning staff promoted the concept of mixed residential and commercial development, the final ordinance further restricted housing units to live-work situations in which the dwelling units can be occupied only by the business proprietor or managing employee of the business located in the building.

C. THE CITY OF SANTA MONICA

Among the four Westside cities, Santa Monica has the most experience encouraging and regulating mixed-use development. As shown in Appendix A, there are about a dozen mixed-use projects in the City, most of which were completed in the early 1990s. They range in scale from about 6,000 gross square feet with ground floor storefronts and a few second floor dwelling units, to the seven-story Janss Court project on the Third Street Promenade with restaurants, a movie theater, office space and 32 apartments (see Chapter V).

General Plan. The Land Use Element of the City's General Plan contains policy language encouraging mixed-use developments in several ways. It designates specific areas of the City where mixed-use development is encouraged, including the Broadway Mixed-Use District located along Broadway between downtown and 19th Court,¹⁷ the Oceanfront District,¹⁸ which combines visitor-serving uses with existing and new residential uses, and the Element allows live/work studios for artists in the Industrial Conservation District.¹⁹ In addition, the Land Use Element makes housing an allowable use in all commercial districts.²⁰ A new zoning district designation and accompanying development standards that would permit mixed-use development in an industrial areas of the City is also under review. The Light Manufacturing/Studio District Development Standards, in their present draft form, would allow residential uses in limited areas, but would not provide any bonuses to encourage residential development.

¹⁷ City of Santa Monica, *Land Use and Circulation Elements*, October 23, 1984, at pp. 60, 73 and Policy 1.6.3, at p. 90.

¹⁸ *Id.*, Policy 1.5.8, at pp. 88-89.

¹⁹ *Id.*, Policy 1.10.3, at p. 97.

²⁰ *Id.*, Policy 1.10.2, at p. 97.

In addition to the General Plan, Santa Monica has adopted several Specific Plans for subareas of the City which also encourage mixed-use development.

Santa Monica Civic Center Specific Plan. The Civic Center Specific Plan²¹ allows for mixed-use development between City Hall and Ocean Avenue, on a portion of the property currently owned by the RAND Corporation. The Specific Plan divides this part of the RAND property into three parcels, including one slated for 350 dwelling units and up to 35,000 square feet of live-work space. The other parcels allow 250,000 square feet of general office development and up to 15,000 square feet of neighborhood and visitor-serving commercial uses. Together, these three parcels form an urban village with compatible and complementary land uses.²²

Third Street Mall Specific Plan. Consistent with the Land Use Element, the Third Street Mall Specific Plan (i.e., the Third Street Promenade) encourages the development of housing within its boundaries. The Housing Element section of the Specific Plan includes an objective to ensure that the Specific Plan area aids in meeting the existing housing needs of the City and that decent, affordable housing opportunities are provided. The Land Use Element section allows for the development of housing above first floor retail, restaurant and entertainment uses. A pending replacement specific plan, the *Bayside District Specific Plan*, proposes to provide similar bonuses to those utilized in the other commercial districts to encourage mixed-use developments with a residential component. Within the District, residential uses would be allowed above the first floor and would be counted at 50 percent for FAR calculation purposes. At some locations within the District, mixed-use developments with residential uses would be allowed an increase in height to six stories from four, and in FAR to 3.5 from 3.0.

The City's Housing Element also includes a policy to encourage and create incentives for the development of housing in conjunction with commercial development where appropriate.²³

Current Zoning Code Regulations. As a result of an ordinance adopted by the City Council in June, 1993,²⁴ Santa Monica not only permits, but also provides incentives for mixed-use

²¹ Resolution 8685 (CCS), adopted November 23, 1993, and sustained by City voters on June 7, 1994.

²² *Id.*, Land Use and Community Design Element, pp. 17-19, 36-41.

²³ City of Santa Monica, *Housing Element*, 1993, Policy A-1.4, at p. 115

²⁴ Ordinance 1687 (CCS), adopted June 22, 1993.

commercial/residential development in most commercial districts. The incentive comes in the form of a floor area ratio (FAR) bonus. Generally, the FAR bonus applies when 30 percent or more of the proposed project consists of residential uses. In most cases, the amount of the FAR bonus is tied to the size of the parcel. For example, in the C6 Boulevard Commercial District, the allowable FAR decreases as the parcel size increases; however, the allowable FAR remains higher for projects containing at least 30 percent residential uses, as follows:

Table III-1 Maximum Floor Area Ratio in The C6 Boulevard Commercial District, If at Least Thirty Percent of The Project Is Residential,¹ City of Santa Monica		
Parcel Area (sf)	Standard FAR	FAR With Residential
7,500 or less	2.00	2.00
7,501-15,000	1.740	2.00
15,001-22,500	1.20	1.75
22,501 or more	1.00	1.50
¹ The same FAR bonus applies if at least 80 percent of the floor area is a grocery store.		
Source: City of Santa Monica, SMMC § 9.04.08.26.060 (b)		

In addition to the FAR bonus, most commercial districts also do not place a limit on the number of stories in a project if at least one floor is devoted to residential use, although a district-specific maximum height limit still applies. In a few cases, additional building height is also allowed if the project includes residential uses.²⁵ In still other cases, any floor area devoted to residential units will be counted at 50 percent for purposes of calculating FAR.

²⁵ In the Broadway Commercial District, a project with at least 50 percent residential floor area may increase its height to three stories and 45 feet, from two stories and 30 feet (SMMC § 9.04.08.14.060). In the C3-C Downtown Overlay District, two extra stories and 20 extra feet in height may be used if the upper two floors are residential (SMMC § 9.04.08.20.060). In the CM-4 (Main Street) District, height may be increased to four stories and 47 feet, from three stories and 35 feet, if at least the fourth floor is residential and the project includes specified upper floor setbacks (SMMC § 9.04.08.28.060 (a)).

Other commercially-zoned areas in the City, including the CP Commercial Professional District, allow residential uses by right²⁶ or by Conditional Use Permit (C5 and MI).²⁷ These provisions, by themselves, facilitate residential uses in non-residentially zoned areas, although no provisions for bonuses are provided. More generally, residential uses are permitted in any commercial zone, subject to certain additional requirements (e.g., setback 50 feet from the front property line if located on the ground floor; direct access to parking; minimum private open space standards).²⁸

A residential zone designation near the beach, RVC Residential-Visitor Commercial District, allows visitor-serving uses in a residentially-zoned area. No incentives are provided, however, to encourage residential uses in mixed-use developments.

The zoning ordinance also contains provisions for Reduced Parking Permits, which are intended to permit the reduction of required parking spaces for senior and low-income and moderate-income housing, or when shared parking, tandem parking or in-lieu parking fees are proposed as part of any development. Mixed-use developments which incorporate senior or low- or moderate-income housing may receive reduced parking permits. Shared parking may be utilized if multiple uses cooperatively establish and operate parking facilities and if these uses generate parking demands primarily during hours when the remaining uses are not in operation (i.e. office vs. housing). These provisions are also incentives for mixed-use developments that contain residential uses.

Projects of more than about 22,500 square feet would be subject to a discretionary Development Review Permit. Any variances or other special exceptions to the zoning regulations would be processed concurrently. The scope of environmental review would depend on project specifics.

D. THE CITY OF WEST HOLLYWOOD

Like Santa Monica, West Hollywood's land use policies and regulations specifically encourage and permit mixed-use development.

²⁶ SMMC §§ 9.04.08.30.020 (s).

²⁷ SMMC §§ 9.04.08.24.040 (e) and 9.04.08.34.040 (e).

²⁸ SMMC § 9.04.10.02.111.

General Plan. The City's 1988 General Plan Land Use Element states that the fundamental principle guiding all land use and urban design policies is the continuation and enhancement of West Hollywood as an "urban village," wherein residents are located in close proximity to commercial services, recreation, transit and pedestrian activity.²⁹ Other guiding principles include permitting residential uses above lower level commercial uses along key boulevards, including Santa Monica, Sunset, Beverly and La Brea Avenue,³⁰ and requiring local-serving commercial uses on the ground floor of large-scale, mixed-use projects.³¹ One objective of the Land Use Element is to encourage the development of sites which intermix commercial uses with housing.³² Policies associated with this objective call for establishing regulations and standards which allow residential uses on floors above and/or behind retail and/or office commercial uses, and for the intermixing of commercial and residential uses on key opportunity sites of 60,000 or more square feet.³³ The latter policy is amplified in policy 1.10.4, which addresses consolidation of adjacent multi-family and commercial parcels, and provides further guidance about the location of uses in a mixed-use project.³⁴ A density bonus is permitted for mixed-use projects that incorporate housing in the East End (Santa Monica Boulevard and La Brea Avenue), along La Brea Avenue, Santa Monica Boulevard (including an extra 10 feet in building height near Warner Hollywood Studios), Fairfax Avenue, in the West End (Santa Monica-Melrose-La Peer Triangle), the San Vicente-Beverly-Sherbourne Triangle, along Sunset Boulevard, and along Beverly Boulevard between Doheny and San Vicente Boulevard.³⁵

The City's Housing Element also recognizes mixed-use development as a strategy for increasing the City's housing stock.³⁶

²⁹ City of West Hollywood, *General Plan*, Land Use and Urban Design Element, at p. 28.

³⁰ *Id.*, at p. 29.

³¹ *Id.*

³² *Id.*, Objective 1.5, at p. 33.

³³ *Id.*, Policies 1.5.1 and 1.5.2, respectively.

³⁴ *Id.*, at pp. 36-37.

³⁵ *Id.*, Policies 1.11.21, 1.12.21, 1.13.21, 1.14.21, 1.15.21, 1.16.21, 1.18.21, 1.19.21, 1.21.21 and 1.23.22; pp. 38-70.

³⁶ *Id.*, Housing Element, Policy 3.1.4, at p. 143.

Current Zoning Code Regulations. West Hollywood's zoning code permits mixed-use development in commercial zones, provided the residential units (except for artists' lofts) are on the rear portion of the first floor, or the upper floors, and the entire project is subject to the property development standards of the underlying zoning district in which the property is located.³⁷ Projects of more than 10,000 square feet require a discretionary Development Permit. All projects require site review and design review. Any necessary variances would be processed concurrently with other applications. At a minimum, a traffic impact analysis would be required to process a Negative Declaration, or a full Environmental Impact Report may be required, depending on project specifics.

E. THE CITY OF LOS ANGELES

Although the westside area of the City of Los Angeles is not, technically, a part of the Westside Cities Subregion, it is in fact inextricably linked with the four separately incorporated Westside cities.

The City of Los Angeles has been encouraging mixed-use development to one degree or another for many years, through its Community Plans, a 1991 incentives ordinance, and more recently, the pending General Plan Framework. At this time there are four completed mixed-use projects in Los Angeles, including Venice Renaissance on the Westside (see Chapter IV), and 10 more that have either been approved, but are not yet built, or are still in the approval process.

General Plan. There are several specific references to mixed-use development in the City's 35 Community Plans (i.e., the Los Angeles version of a Land Use Element), particularly those setting policy for high-density areas. For example, projects combining residential and commercial uses are specifically encouraged in Hollywood.³⁸ Mixed and functionally integrated commercial and residential uses are encouraged in the Westlake area.³⁹ The Wilshire Plan calls for revising the Municipal Code to provide for "vertical zoning" (i.e.,

³⁷ West Hollywood Municipal Code § 9224 (II).

³⁸ City of Los Angeles, *Hollywood Plan*, December 13, 1988, as amended, Commerce Land Use Features, at p. HO-2.

³⁹ City of Los Angeles, *Westlake Community Plan*, adopted September 18, 1974, as amended, Commerce Land Use Features, at p. WE2.

residential uses of the upper floors of high-rise commercial buildings or other use combinations).⁴⁰ More generally, the zoning districts that correspond with Community Plan land use designations allow residential uses in virtually all Community Plan-designated commercial areas. Several specific plans also require mixed-use development (e.g., Central City West and Playa Vista).

The General Plan Framework Element, now in the final stages of approval, includes more explicit citywide policies to encourage mixed-use development.⁴¹ The Framework establishes broad overall policy and direction for updating various citywide General Plan Elements and the 35 Community Plans. In particular, the Draft Framework establishes a new Mixed-Use Boulevard land use category for the principal boulevards that connect "districts" and "centers." Projects in this category may integrate housing and community-oriented services with commercial uses, either in a single building or in separate buildings.⁴² "Mixed-Use Community Centers," or focal points for communities of about 25,000 to 100,000 population, encourage the development of housing in concert with multi-use commercial.⁴³ General indications of Mixed-Use Boulevards and Community Centers on the westside are indicated in a Long-Range Land Use Diagram, along with generalized standards for mixed-use projects limiting the commercial uses to about half the available FAR.⁴⁴ More specifics are subject to future Community Plan updates.

One objective specifically encourages new multi-family residential, retail commercial and office development in the City's neighborhood districts, community, regional and downtown centers and along transit corridors.⁴⁵ The proposed land use standards encourage mixed-use developments in all commercial districts.⁴⁶ Policy 3.13.1 encourages commercial uses and

⁴⁰ City of Los Angeles, *Wilshire Plans*, adopted May 17, 1976, as amended, Planning Legislation Program III.E., at p. WI-6.

⁴¹ City of Los Angeles Planning Commission, *Draft General Plan Framework Element*, July 20, 1995

⁴² *Id.*, at p. 3.

⁴³ *Id.*, at p. 3-31.

⁴⁴ *Id.*, Land Use Diagrams legend and footnotes.

⁴⁵ *Id.*, Policy 3.4.1, at p. 3-24.1.

⁴⁶ *Id.*, Land Use Standards, Table 3-1, at p. 3-19.

structures that integrate housing along boulevards,⁴⁷ and Policy 3.13.2 allows such projects to contain mixed use projects, multi-use projects or single-use projects (multi-family residential or commercial).⁴⁸ One of the Framework's housing objectives calls for offering incentives to include housing for very low- and low-income households in mixed-use projects.⁴⁹ Among the Framework's proposed implementation measures are zoning ordinance amendments to establish incentives for mixed-use development.⁵⁰

The City's current Housing Element also includes specific references to mixed-use development, under a goal to provide housing, jobs and services in close proximity.⁵¹ The Housing Element includes an objective is to encourage mixed-use development where appropriate,⁵² and a mixed-use related program to assess the effectiveness of the 1991 mixed-use ordinance, create a housing overlay zone along deteriorated or underutilized commercial zones, and develop incentives for residential construction to occur in tandem with new commercial projects.⁵³

Current Zoning Code Regulations. The Los Angeles zoning ordinance allows residential uses in all commercial districts, and allows the combination of residential and non-residential uses. Permitted residential densities in commercial districts correspond with the R4 multi-family standards (i.e., up to one unit per 800 square feet of lot area), but the R5 standard (i.e., one unit per 400 square feet of lot area) can be used in certain high-density commercial areas or in the downtown redevelopment project area. Alternatively, commercial and mixed-use are permitted by Conditional Use Permit in the R5 multi-family district within the Central City Community Plan Area. Mixed-use projects may include any of the permitted and conditionally-permitted uses typically allowed in the commercial districts, and there is no limitation or minimum requirements for the proportions of residential or non-residential uses. However, conditions of approval for a mixed-use project may prohibit such uses as

⁴⁷ *Id.*, at p. 3-46.

⁴⁸ *Id.*, at p. 3-47.

⁴⁹ *Id.*, Policy 4.2.1, at p. 4-7.

⁵⁰ *Id.* Program P24, at p. 10-14.1.

⁵¹ City of Los Angeles, *Housing Element*, December 1993, Goal 7, at p. 141.

⁵² *Id.*, Objective 7.1.6, at p. 142.

⁵³ *Id.*, Program P-76, at p. 172.

restaurants in order to minimize perceived impacts on the project's residents. Similarly, restrictions may be placed on hours of operation for the commercial uses, and the times when deliveries and trash pick-up may occur.

Larger projects are subject to site plan approval by the Planning Director, which may include a public hearing. Projects exceeding 100,000 square feet require a Conditional Use Permit. Projects located in a redevelopment project area also require approval by the Board of the Community Redevelopment Agency, which considers design and any public financial assistance. If a variety of special exceptions are required (e.g., zone change, variance, subdivision map), they are processed consecutively, not concurrently.

A mixed-use development incentive ordinance was adopted in 1991⁵⁴. It provides for a substantial increase in FAR (i.e., from 1.5 to 3.0 in Height District 1, from 6.0 to 10.0 in Height District 2, from 6.0 to 12.0 in Height District 3, and up to 12.0 if the project is located within 1,500 feet of a transit station, within a redevelopment project area, enterprise zone or centers study area). But, the FAR bonus requires obtaining a Conditional Use Permit, 20 percent of the units must be set aside for 30 years for occupancy by low-income households, and the amenities and unit mix must be the same for the affordable and market rate units.

F. LOS ANGELES COUNTY

The Westside Cities Subregion includes the unincorporated communities of Marina Del Rey, Baldwin Hills, Ladera Heights, View Park and Windsor Hills.

General Plan. Although the County's General Plan acknowledges the desirability of co-locating housing, particularly for lower-income households, near employment opportunities,⁵⁵ there are no objectives or policies in the Land Use Element of the County's General Plan that specifically encourage mixed-use development. Mixed-use is permitted, however, through specific plans (e.g., Marina Del Rey Local Coastal Plan).

⁵⁴ City of Los Angeles, Ordinance 167,417.

⁵⁵ See, for example, County of Los Angeles, *County of Los Angeles General Plan*, Housing Chapter, November 2, 1989, Policy 17, at p. H-19; General Goals and Policies Chapter, Policy 4, at p. G-4 and Policies 51 and 53, at p. G-8

Current Zoning Code Regulations. The County's zoning ordinance includes a special purpose MXD Mixed Use Development Zone,⁵⁶ which provides the opportunity to combine various land uses in well-planned developments which may contain multi-use buildings or several single-purpose buildings each containing a different use. A project in the MXD Zone is subject to a Conditional Use Permit if it includes uses otherwise permitted in the R4 high-density zone, M-1 manufacturing zone, A-C arts and crafts zone, or SR-D scientific research and development zone. The MXD Zone is intended to apply to sites of five acres or more, with certain exceptions. Building coverage is limited to 50 percent of the site, open space must comprise at least 30 percent of the site area, and the maximum FAR is 2.0. In granting a CUP, the hearing examiner may modify the otherwise applicable parking standards, but the project must include at least one space per dwelling unit and at least half the otherwise required parking for public assembly, commercial or industrial uses. In addition to broad discretion with regard to project design and arrangement of uses, the hearing examiner may impose conditions related to hours of operation, operating restrictions and performance standards. The ordinance includes general performance standards for noise, emissions, heat and glare, vibration and loading, and also addresses a development schedule.

⁵⁶ Los Angeles County Code (LACC) §§ 22.40.510 and 22.40.520.